

# SENATE MOTION

MR. PRESIDENT:

**I move** that Engrossed House Bill 1004 be amended to read as follows:

- 1       Page 1, between the enacting clause and line 1, begin a new  
2 paragraph and insert:  
3       "SECTION 1. IC 4-4-3.4-4 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) The value added  
5 research fund is established for the purpose of providing money for the  
6 center for value added research and the commissioner of agriculture to  
7 carry out the duties specified under this chapter. The fund shall be  
8 administered by the commissioner of agriculture.  
9       (b) The fund consists of money appropriated by the general  
10 assembly.  
11       (c) The treasurer of state shall invest the money in the fund not  
12 currently needed to meet the obligations of the fund in the same  
13 manner as other public funds may be invested.  
14       (d) Money in the fund at the end of a state fiscal year does not revert  
15 to the state general fund.  
16       (e) **There is annually appropriated to the value added research**  
17 **fund one million dollars (\$1,000,000) from the state general fund**  
18 **for carrying out the purposes of this section."**  
19       Page 3, between lines 36 and 37, begin a new paragraph and insert:  
20       **"Sec. 4. (a) There is annually appropriated to the rural**  
21 **development administration fund two million five hundred**  
22 **thousand dollars (\$2,500,000) from the state general fund for its**  
23 **use in carrying out the purposes of section 2 of this chapter.**  
24       **(b) The money appropriated by this section does not revert to**  
25 **the state general fund at the close of any fiscal year but remains**  
26 **available to the rural development administration fund until the**  
27 **purpose for which it was appropriated is fulfilled.**  
28       SECTION 3. IC 4-4-9.5-4 IS ADDED TO THE INDIANA CODE  
29 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
30 1, 2002]: **Sec. 4. (a) There is annually appropriated to the Indiana**  
31 **rural development council one million two hundred thousand**

dollars (\$1,200,000) from the state general fund for its use in carrying out the purposes of this chapter.

(b) The money appropriated by this section does not revert to the state general fund at the close of any fiscal year but remains available to the Indiana rural development council until the purpose for which it was appropriated is fulfilled."

Page 8, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 5. IC 4-12-9-1, AS ADDED BY P.L.21-2000, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. ~~As used in~~ **The following definitions apply throughout** this chapter:

(1) "Fund" refers to the tobacco farmers ~~and rural community impact~~ fund established by section 2 of this chapter.

(2) "Master settlement agreement" has the meaning set forth in IC 24-3-3-6.

(3) "Phase II agreement" refers to the National Tobacco Grower Settlement Trust Agreement entered into by tobacco growing states and major tobacco companies and dated July 19, 1999.

(4) "Phase II payment program" refers to the payments to tobacco growers and quota owners established by the National Tobacco Grower Settlement Trust Agreement entered into by tobacco growing states and major tobacco companies and dated July 19, 1999.

(5) "Tobacco grower" has the meaning set forth in the National Tobacco Grower Settlement Trust Agreement.

(6) "Tobacco quota owner" has the meaning set forth in the National Tobacco Grower Settlement Trust Agreement.

SECTION 6. IC 4-12-9-2, AS AMENDED BY P.L.291-2001, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) The tobacco farmers ~~and rural community impact~~ fund is established. The fund shall be administered by the commissioner of agriculture. The fund consists of:

(1) amounts, if any, that another statute requires to be distributed to the fund from the Indiana tobacco master settlement agreement fund;

(2) appropriations to the fund from other sources;

(3) grants, gifts, and donations intended for deposit in the fund; and

(4) interest that accrues from money in the fund.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) Notwithstanding IC 5-13, the treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as money is invested by the public employees retirement fund under IC 5-10.3-5. The treasurer of state may contract with investment management professionals, investment advisors, and

1 legal counsel to assist in the management of the fund and may pay the  
2 state expenses incurred under those contracts.

3 (d) Money in the fund at the end of the state fiscal year does not  
4 revert to the state general fund and remains available for expenditure.

5 SECTION 7. IC 4-12-9-3, AS AMENDED BY P.L.291-2001,  
6 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 JULY 1, 2002]: Sec. 3. (a) ~~Subject to subsection (b);~~ Money in the fund  
8 shall be used for the following purposes: **distributions under section**  
9 **5 of this chapter.**

10 (1) Agricultural grant and loan programs to assist cooperative  
11 arrangements consisting of tobacco quota owners and tobacco  
12 growers working together to transition from tobacco production  
13 to other agricultural enterprises and to assist individual tobacco  
14 quota owners and tobacco growers who are in the process of  
15 transitioning to other agricultural enterprises.

16 (2) Value-added cooperatives, incubators, and other enterprises  
17 or facilities established for the purpose of assisting tobacco quota  
18 owners and tobacco growers to capture additional revenues from  
19 non-tobacco agricultural commodities.

20 (3) Agricultural mentoring programs, entrepreneurial leadership  
21 development, and tuition and scholarships to assist displaced  
22 tobacco growers in acquiring new training and employment skills.

23 (4) Academic research to identify new transitional crop  
24 enterprises to replace tobacco production.

25 (5) Market facility development for marketing current and new  
26 crop enterprises.

27 (6) Administrative and planning services for local communities  
28 and economic development entities that suffer a negative impact  
29 from the loss of tobacco production.

30 (7) Establishment and operation of a regional economic  
31 development consortium to address common problems faced by  
32 local communities that suffer a negative impact from the loss of  
33 tobacco production.

34 (b) Expenditures from the fund are subject to appropriation by the  
35 general assembly and approval by the commissioner of agriculture. The  
36 commissioner of agriculture may not approve an expenditure from the  
37 fund unless that expenditure has been recommended by the advisory  
38 board established by section 4 of this chapter.

39 SECTION 8. IC 4-12-9-4, AS ADDED BY P.L.291-2001,  
40 SECTION 75, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41 JULY 1, 2002]: Sec. 4. (a) The tobacco farmers and rural community  
42 impact fund advisory board is established. The advisory board shall  
43 meet at least quarterly and at the call of the commissioner of  
44 agriculture to make recommendations concerning expenditures of  
45 money from the fund.

46 (b) The advisory board consists of the following:

47 (1) The commissioner of agriculture, who is an ex officio member

and serves as chairperson of the advisory board.

(2) Two (2) members of the senate, who may not be members of the same political party, appointed by the president pro tempore of the senate.

(3) Two (2) members of the house of representatives, who may not be members of the same political party, appointed by the speaker of the house of representatives.

(4) The following appointees by the governor who represent the following organizations or interests:

(A) Two (2) tobacco growers.

(B) One (1) tobacco quota owner.

(C) Two (2) persons with knowledge and experience in state and regional economic development needs.

(D) One (1) person representing small towns or rural communities.

(E) One (1) person representing the Indiana Rural Development Council.

(F) One (1) person representing the Southern Indiana Rural Development Project.

(G) One (1) person representing agricultural programs at universities located in Indiana.

The members of the advisory board listed in subdivisions (1) through (3) are nonvoting members. The members of the advisory board listed in subdivision (4) are voting members.

(c) The term of office of a legislative member of the advisory board is four (4) years. However, a legislative member of the advisory board ceases to be a member of the advisory board if the member:

(1) is no longer a member of the chamber from which the member was appointed; or

(2) is removed from the advisory board under subsection (d).

(d) A legislative member of the advisory board may be removed at any time by the appointing authority who appointed the legislative member.

(e) The term of office of a member of the advisory board appointed under subsection (a)(4) is four (4) years. However, these members serve at the pleasure of the governor and may be removed for any reason.

(f) If a vacancy exists on the advisory board with respect to a legislative member or the members appointed under subsection (a)(4), the appointing authority who appointed the former member whose position has become vacant shall appoint an individual to fill the vacancy for the balance of the unexpired term.

(g) Five (5) voting members of the advisory board constitute a quorum for the transaction of business at a meeting of the advisory board. The affirmative vote of at least five (5) voting members of the advisory board is necessary for the advisory board to take action.

(h) Each member of the advisory board who is not a state employee

1 is not entitled to the minimum salary per diem provided by  
 2 IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement  
 3 for traveling expenses as provided under IC 4-13-1-4 and other  
 4 expenses actually incurred in connection with the member's duties as  
 5 provided in the state policies and procedures established by the Indiana  
 6 department of administration and approved by the budget agency.

7 (i) Each member of the advisory board who is a state employee but  
 8 who is not a member of the general assembly is entitled to  
 9 reimbursement for traveling expenses as provided under IC 4-13-1-4  
 10 and other expenses actually incurred in connection with the member's  
 11 duties as provided in the state policies and procedures established by  
 12 the Indiana department of administration and approved by the budget  
 13 agency.

14 (j) Each member of the advisory board who is a member of the  
 15 general assembly is entitled to receive the same per diem, mileage, and  
 16 travel allowances paid to legislative members of interim study  
 17 committees established by the legislative council. Per diem, mileage,  
 18 and travel allowances paid under this subsection shall be paid from  
 19 appropriations made to the legislative council or the legislative services  
 20 agency.

21 (k) Payments authorized for members of the advisory board under  
 22 subsections (h) through (i) are payable from the tobacco farmers and  
 23 rural community impact fund.

24 SECTION 9. IC 4-12-9-5 IS ADDED TO THE INDIANA CODE  
 25 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 26 1, 2002]: **Sec. 5. (a) If the payments due and payable to:**

27 **(1) tobacco growers; and**

28 **(2) tobacco quota owners;**

29 **under the Phase II payment program are less than the amount**  
 30 **established in the Phase II agreement, the Phase II payment**  
 31 **program shall be supplemented from the master settlement**  
 32 **agreement to make the total payments to tobacco growers and**  
 33 **tobacco quota owners equal to the amount described in the Phase**  
 34 **II agreement.**

35 **(b) If payments owed tobacco growers and tobacco quota**  
 36 **owners are less than the amount described in the Phase II**  
 37 **agreement:**

38 **(1) the commissioner of agriculture shall determine how much**  
 39 **money from the master settlement agreement is required to**  
 40 **make up the difference between the amount due under the**  
 41 **Phase II payment program and the amount established in the**  
 42 **Phase II agreement;**

43 **(2) the commissioner of agriculture shall certify this amount**  
 44 **to the budget agency and the auditor of state; and**

45 **(3) the amount certified by the commissioner of agriculture**  
 46 **shall be transferred from the master settlement agreement to**  
 47 **the Phase II payment program.**

1       (c) **This section expires January 1, 2010."**

2       Page 157, between lines 11 and 12, begin a new paragraph and  
3       insert:

4       "SECTION 160. [EFFECTIVE JULY 1, 2002] (a) **Each year**  
5       **between 2002 and 2005, four million seven-hundred twenty**  
6       **thousand dollars (\$4,720,000) shall be transferred from the master**  
7       **settlement agreement to the tobacco farmers fund. The**  
8       **commissioner of agriculture shall distribute the tobacco farmers**  
9       **fund to tobacco growers and tobacco quota owners using the same**  
10      **formula and process used for the Phase II payment program. The**  
11      **commissioner of agriculture may contract with consultants,**  
12      **financial institutions, and legal counsel to assist in the**  
13      **administration of the tobacco farmers fund and may pay the**  
14      **expenses of those contracts from money in the fund.**

15      (b) **For the years 1999 through 2001, the amount required to**  
16      **make the total payments to tobacco growers and tobacco quota**  
17      **owners equal to the amount described in the Phase II agreement**  
18      **shall be distributed on a pro rata basis over the life of the Phase II**  
19      **payment program."**

20      Page 157, line 13, after "2002]:" insert "IC 4-12-9-4;".

21      Renumber all SECTIONS consecutively.

(Reference is to EHB 1004 as printed February 22, 2002.)

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Senator LEWIS